

**1.0 Division of Purchasing and General Services****Summary**

The Division of Purchasing was originally organized for the procurement of all supplies and services needed by the State, the general supervision and control over all inventories, supplies owned by the State, and the establishment and maintenance of programs for the inspection, testing and acceptance of supplies and services. Subsequently, the 1997 Legislature reorganized the Department of Administrative Services and merged Central Copying, Central Mail, and Central Stores into the Division of Purchasing and changed the name to the Division of Purchasing and General Services. All of the new programs are Internal Service Funds and are considered separately in the ISF section of the budgets.

	<b>FY 1999</b>	<b>FY 2000</b>	
<b>Financing</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
General Fund	\$1,217,500	\$1,218,800	\$1,300
Dedicated Credits	80,000	80,000	
Beginning Nonlapsing	10,100		(10,100)
<b>Total</b>	<b>\$1,307,600</b>	<b>\$1,298,800</b>	<b>(\$8,800)</b>

## **2.0 Budget Highlights**

### **2.1 Response to Legislative intent language**

The following intent language was also included in House Bill 1, Item 58, 1997 General Session:

*It is the intent of the Legislature that FY 1997 and FY 1998 funding for the Division of Purchasing be non-lapsing and any available funds are to be used for Electronic Commerce.*

The Division of Purchasing and General Services and the Division of Finance are working on future development of Electronic Commerce for the State. Electronic Commerce is discussed in more detail in the 3.0 Section of this budget and in the Division of Finance budget.

### **2.2 Recommend intent language**

The Analyst recommends a continuation of the following intent language for FY 2000.

*It is the intent of the Legislature that FY 1998 and FY 1999 funding for the Division of Purchasing be nonlapsing and any available funds be used for Electronic Commerce.*

Section 3.0 describes how the Division of Purchasing is following this intent language.

### 3.0 Programs: Division of Purchasing

#### Recommendation

The Analyst base recommendation reflects the reduction for one-time funding of \$41,000 and an \$11,600 reduction for one-time funding in small equipment and office furnishings.

	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
General Fund	\$1,185,900	\$1,217,500	\$1,218,800
Dedicated Credits	93,600	80,000	80,000
Beginning Nonlapsing	16,600	10,100	
Closing Nonlapsing	(10,100)		
Lapsing			
<b>Total</b>	<b>\$1,286,000</b>	<b>\$1,307,600</b>	<b>\$1,298,800</b>
		1.7%	(0.7%)
<b>Expenditures</b>			
Personal Services	\$1,094,900	\$1,168,700	\$1,168,700
Travel	8,200	6,800	6,800
Current Expense	\$130,500	\$103,100	\$94,300
Data Processing	\$52,400	\$29,000	\$29,000
<b>Total</b>	<b>\$1,286,000</b>	<b>\$1,307,600</b>	<b>\$1,298,800</b>
FTE Standard	24.5	24.5	24.2

## Summary

The Division of Purchasing provides a centralized purchasing function for all state agencies. It handles more than \$400 million dollars in purchases, manages 550 statewide contracts and more than 2,000 agency contracts, and processes more than 2,000 requisitions a year.

The Utah Procurement Code (Utah Code 63-56-9) specifies that the purposes for having a central purchasing authority are: 1) to ensure that vendors are treated fairly and equitably, 2) to provide increased economy in state procurement activities, and 3) to foster effective broad-based competition among suppliers.

Dedicated Credits are generated from fees collected from bidders, for inclusion on the automated information mailing system. This system automatically solicits bidders on a given commodity. Participation in this program is optional and bids are only mailed to those listed on the system or to those who specifically call and request the bid. Copies of all bids are available for public inspection at the front desk in The Division of Purchasing office.

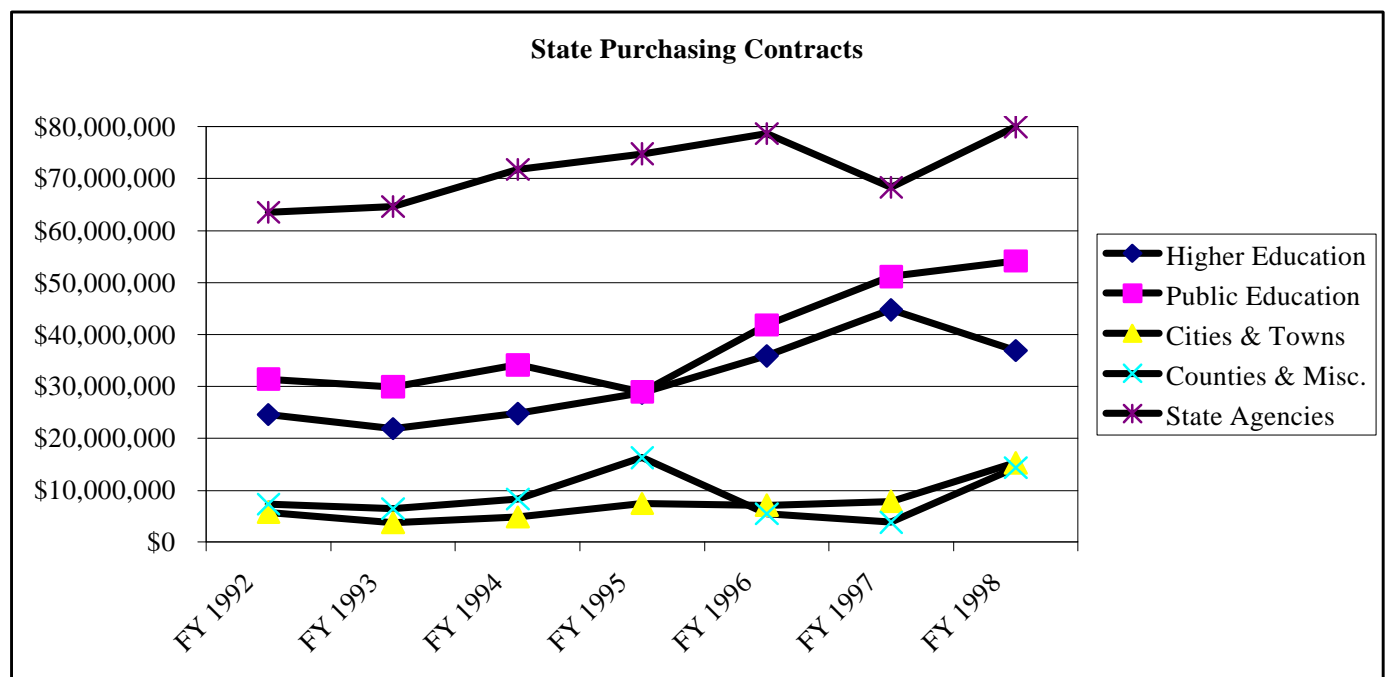
### Electronic Purchasing

The Division makes a concerted effort to implement cooperative purchasing ventures with surrounding states. Last year they joined seven states in forming an "Electronic Mall - an online purchasing group that will facilitate electronic commerce. These ventures have the potential of giving the State greater purchasing leverage and improved pricing

- In FY 1999, the Division of Purchasing implemented a Purchasing Card system that allows agencies to make routine purchases quickly and more efficiently.
- All State bid and RFP solicitations are now available on the Internet. The Division is creating an email notification system that will notify potential suppliers of the procurement electronically, replacing our current paper based system.
- All statewide contracts are available to contract users via the Internet.
- Office supplies can now be ordered electronically over the Internet from our office supply contractor. Delivery is next day on most orders.

**Performance Measures** The following table reflects the growth in purchases on state contracts:

Fiscal Year	Higher Education	Public Education	Cities & Towns	Counties & Misc.	State Agencies	Total
<b>FY 1992</b>	\$24,599,117	31,399,199	5,766,131	7,327,897	63,525,190	<b>\$132,617,534</b>
<b>FY 1993</b>	\$21,874,912	29,931,299	3,795,206	6,454,663	64,639,393	<b>\$126,695,473</b>
<b>FY 1994</b>	\$24,777,335	34,134,295	4,828,020	8,328,734	71,779,902	<b>\$143,848,286</b>
<b>FY 1995</b>	\$28,730,588	28,929,909	7,478,035	16,283,165	74,779,001	<b>\$156,200,698</b>
<b>FY 1996</b>	\$35,888,663	41,888,625	7,149,235	5,481,328	78,683,786	<b>\$169,091,637</b>
<b>FY 1997</b>	\$38,349,584	51,152,364	7,885,825	3,830,256	68,320,224	<b>\$169,538,253</b>
<b>FY 1998</b>	\$36,919,727	54,188,000	15,262,401	14,356,902	79,710,000	<b>\$200,437,030</b>
<b>% Change</b>	<b>150.09%</b>	<b>172.58%</b>	<b>264.69%</b>	<b>195.92%</b>	<b>125.48%</b>	<b>151.14%</b>



	Higher Education	Public Education	Cities & Towns	Counties & Misc.	State Agencies	Total
<b>Change FY 99</b>	<b>(3.73%)</b>	<b>5.93%</b>	<b>93.54%</b>	<b>274.83%</b>	<b>16.67%</b>	<b>18.23%</b>

**Analyst note:** Purchasing by Cities, Counties and other local entities fluctuates depending on reporting ability and use of the State Contract to purchase vehicles.

## 4.0 Tables: Division of Purchasing

	FY 1997	FY 1998	FY 1999	FY 2000
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
General Fund	\$1,168,400	\$1,185,900	\$1,217,500	\$1,218,800
General Fund (One-time)				
<b>Total General Fund</b>	<b>\$1,168,400</b>	<b>\$1,185,900</b>	<b>\$1,217,500</b>	<b>\$1,218,800</b>
Dedicated Credits	88,100	93,600	80,000	80,000
Beginning Nonlapsing		16,600	10,100	
Closing Nonlapsing	(16,600)	(10,100)		
Lapsing				
<b>Total</b>	<b>\$1,239,900</b>	<b>\$1,286,000</b>	<b>\$1,307,600</b>	<b>\$1,298,800</b>
		3.7%	1.7%	(0.7%)
<b>Programs</b>	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
Purchasing	\$1,239,900	\$1,286,000	\$1,307,600	\$1,298,800
<b>Total</b>	<b>\$1,239,900</b>	<b>\$1,286,000</b>	<b>\$1,307,600</b>	<b>\$1,298,800</b>
	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>
<b>Expenditures</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
Personal Services	\$1,055,500	\$1,094,900	\$1,168,700	\$1,168,700
In-State Travel		1,400	1,800	1,800
Out-of-State Travel	7,600	6,800	5,000	5,000
Subtotal Travel	<b>\$7,600</b>	<b>\$8,200</b>	<b>\$6,800</b>	<b>\$6,800</b>
Current Expense	118,600	130,500	103,100	94,300
Data Processing	58,200	52,400	29,000	29,000
<b>Total</b>	<b>\$1,239,900</b>	<b>\$1,286,000</b>	<b>\$1,307,600</b>	<b>\$1,298,800</b>
	<b>FY 1997</b>	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
FTE Standard	24.0	24.0	24.5	24.2